VZCZCXRO1047 PP RUEHAG RUEHBI RUEHCI RUEHDBU RUEHLH RUEHPW RUEHROV DE RUEHAH #1047/01 2711217 ZNY CCCCC ZZH P 281217Z SEP 07 FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC PRIORITY 9453 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHAK/AMEMBASSY ANKARA 2811 RUEHBJ/AMEMBASSY BEIJING 0633 RUEHKO/AMEMBASSY TOKYO 0509 RUEHIT/AMCONSUL ISTANBUL 1085 RUCPDOC/DEPT OF COMMERCE WASHDC RHMFISS/CDR USCENTCOM MACDILL AFB FL RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RUEKJCS/JOINT STAFF WASHDC RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001047

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STATE FOR SCA/CEN, EEB

E.O. 12958: DECL: 09/27/2017
TAGS: PGOV PREL PINR EIND ETRD TX
SUBJECT: TURKMENISTAN'S TEXTILE MINISTER SHARES HER -- AND
BERDIMUHAMEDOV'S -- BROAD VISION FOR THE INDUSTRY

REF: ASHGABAT 1014

Classified By: Charge d'Affaires a.i. Richard E. Hoagland for reasons 1 .4 (B) and (D).

11. (SBU) SUMMARY: DCM met with Turkmenistan's Minister of Textiles Jemal Geoklenova on September 26 for an introductory meeting on the textile industry in Turkmenistan. Appreciative of the experience brought by and lessons learned from international investors, Geoklenova explained that President Berdimuhamedov wants to expand trade and raise Turkmenistan's textile industry standards up international standards. Optimistic, gracious, and European in style and substance, Geoklenova is no communist dinosaur. In her words, "everything is in place for success in this industry." END SUMMARY.

NO SIGNS, OR BITTERNESS, OF ALLEGED PREVIOUS IMPRISONMENT

(C) DCM met with Turkmenistan's Minister of Textiles Jemal Geoklenova on September 26 in her European-style office for an introductory meeting on the textile industry in Turkmenistan. According to rumors, Geoklenova was imprisoned late in Niyazov's term. Various rumors, some of which are truly preposterous, point to prominent Turkish businessman Ahmet Chalik's (reftel) involvement in discrediting her. However, it seems fairly certain that following her ouster from her previous assignment at Minister of Textiles, she underwent severe treatment. At her first public appearance on television at a Cabinet of Ministers meeting, she appeared gaunt and moved with such weakness that some Turkmen say the formerly chic Geoklenova "looked like an alien." After Berdimuhamedov had her released and appointed her head of the carpet industry, according to local Embassy staff knowledgeable about this industry, "everyone" knew it was only a matter of time before the government would name her Minister of Textiles. At this meeting, however, she seemed healthy, and while absolutely pleasant, showed that she is a serious career woman who wants this industry to succeed and grow in Turkmenistan.

VERY SERIOUS ABOUT THE INDUSTRY -- A COMPLETE PROFESSIONAL

13. (SBU) Geoklenova spoke freely and gave a concise

explanation without a prepared statement of the Turkmenistan textile industry. Under the Soviet system, cotton was exported as a raw material. One of the two factories processing the raw materials is still in operation. After the Ministry of Textiles was founded in 1995, the ministry built one factory per year, which it considered a construction boom. About 30,000 people are currently employed in the sector. Geoklenova was proud that the ministry emphasizes the use of the newest technology from Germany, Switzerland and -- the very best -- from Japan, and that the industry is fully automated. Japan Bank for International Cooperation (JBIC) financed the construction of the Ashgabat Textile Complex in 2007. Three partners financed the construction of a jeans complex: European Bank for Reconstruction and Development (EBRD) - 20%, a Turkish company - 30%, and the Government of Turkmenistan - 50%. (NOTE: While Geoklenova did not name the Turkish company, Embassy local staff knowledgeable about the industry know that it was Gap Inshaat -- part of Ahmed Chalik's holding company, Chalik Group. END NOTE.) The textile industry pioneered joint venture creation and foreign investment in Turkmenistan, and today there are many joint ventures operating in the textile sector. Geoklenova expressed gratitude for the presence of foreign companies in the industry, saying that local employees benefited from the experience. She listed Nautica, Sara Lee, and Hanes among the American companies carrying the "Made in Turkmenistan" label. In addition to cotton, a small ministry unit works on silk production.

14. (SBU) Geoklenova highly values management in the success of her enterprises, and she personally interviews all incoming students before assigning them internships. She

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also seeks to pair them, as much as possible, with foreign experts working in the textile industry. She believes that it takes five to seven years to develop a professional, especially because of the difference between the theory one learns in school and the reality one learns on the job. Geoklenova thinks young people need more experience with marketing and management. While students have the possibility of studying in Turkey and China, she believes that the students themselves must take initiative in pursuing overseas education.

15. (SBU) The ministry has three main units. Creative employees belong to the "Designers Club," and the Experts Unit maintains equipment. The Technology Unit works on cotton processing and dying techniques, etc. The ministry is working on a collection that it will show on National Day.

PRIDE IN TURKMENISTAN

- 16. (SBU) Geoklenova does not see China as a competitor, saying that "Turkmenistan has its own place (in the industry)." She added that Turkmenistan is a compact country and has its own advantages. The industry focus is on ready-to-wear and leisure apparel, not couture fashion. She also did not foresee the implementation of safeguards to limit exports from China or other countries, saying that "the free market takes care of this on its own." Geoklenova added that "our people prefer buying our own fabric," adding that Turkmenistan makes only natural, "organic," ISO-certified (International Organization for Standards) fabrics.
- 17. (SBU) Geoklenova stated that textile factories play an important social role in the provinces, bringing not only jobs, but additional infrastructure such as roads and electrical lines. Connected with this, young people take pride in working in a good working environment on modern equipment. Both this technology and exposure to foreign ideas broadens their horizons.

- 18. (SBU) President Gurbanguly Berdimuhamedov tasked Geoklenova with preparation of a thorough analysis of sector impediments by October 13, which will mark the three-month period since he appointed her to this office. He made it clear that she is to review any and all bureaucratic obstacles, in order to remove them and expand international trade. She added that Berdimuhamedov encouraged the Ministry of Textiles to cooperate with the Ministry of Economy and Finance to improve these areas. According to Geoklenova, Berdimuhamedov wants the industry to work at international levels, and with the modern factories, excellent technology, and their labor force, "everything is in place for (our) success in this industry." With that, she invited DCM to visit the complexes, and enthusiastically offered to make arrangements. In addition, she promised that the ministry would share statistics with the embassy via diplomatic note request.
- 19. (SBU) COMMENT: If only due to a marked contrast to meetings at other ministries, this is a woman to watch. Dynamic and western-oriented (at least in the business sense, but also she takes pride in the fact that her son is studying marketing in London), Geoklenova appears to be someone we can work with. END COMMENT. HOAGLAND